

EXHIBIT B

INITIAL ENGAGEMENT LETTER

**CONFIDENTIAL**

November 12, 2022

Via Email

Zachary Prince
Chief Executive Officer
BlockFi Inc.
201 Montgomery St #263
Jersey City, NJ 07302

Re: BlockFi Inc. – Restructuring Services

Dear Mr. Prince,

This letter confirms the engagement of Berkeley Research Group, LLC (“BRG”) to provide financial advisory and consulting services to BlockFi Inc. (“Client”). This letter and any attachments set forth the agreement (“Agreement”) between the parties.

SCOPE OF SERVICES

The scope of services under this engagement shall consist of the following activities (“Services”):

- Support the development of restructuring plans, financing, and strategic alternatives for the Client;
- Prepare various financial analysis to support restructuring alternatives including liquidity forecast, expense levels and others as necessary;
- Provide advice to management on cash conservation measures and liquidity forecasting after analyzing and stress testing weekly cash flows under various scenarios;
- Advise the Client relative to negotiating with existing lenders and stakeholders;
- Participate in board calls as requested;
- Assist Client with the communications and negotiations with various third parties to support restructuring alternatives;
- Other services as requested or directed by the CFO and CEO, the board of directors of the Client (the “Board”) or other Client personnel as authorized by the foregoing and agreed to by BRG; and
- If a Chapter 11 bankruptcy were to become necessary, assist the Client with activities relating to such bankruptcy including, as appropriate, testimony if requested.

It is understood and agreed that BRG’s Services may include advice and recommendations, but that all decisions in connection with the implementation of such advice and recommendations will be the responsibility of Client.

FEES & EXPENSES

Client will pay BRG professional fees, which will be based on the actual hours charged at BRG’s standard hourly rates, which are in effect when the Services are rendered (“Professional Fees”). Hourly rates may change in the future from time to time and are typically adjusted annually. BRG will provide Client notice of any rate changes in advance.



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BRG's current hourly rates are as follows:

Managing Directors	\$925 – \$1,195
Directors & Associate Directors	\$725 – \$950
Professional Staff	\$325 – \$745
Support Staff	\$175 – \$300

BRG's rates will increase on 12/01/2022 to the following ranges:

Managing Directors	\$995 – \$1,250
Directors & Associate Directors	\$810 – \$990
Professional Staff	\$395 – \$795
Support Staff	\$175 – \$300

In addition to Professional Fees, BRG will be reimbursed for direct out-of-pocket expenses including, but not limited to, travel, research, legal counsel, any applicable sales or excise taxes, and other direct expenses; provided that the aggregate expenses shall not exceed \$25,000 in the aggregate without Client's prior written consent (such consent not to be unreasonably withheld or delayed). BRG will provide a reasonably itemized statement of expenses incurred on this engagement and shall provide copies of original invoice or other documentation on itemized expenses over \$75 upon request. Client shall reimburse BRG for reasonable itemized expenses less than \$75 without a copy of the original invoice or other documentation.

BRG will provide Client a summary of fees and expenses for Services rendered on a weekly basis. BRG will bill for Services every two (2) weeks and will provide customary descriptions regarding the Services rendered. BRG will provide additional details regarding Services rendered upon request by Client. BRG's invoices statements shall be paid within seven (7) days of the invoice date. Client agrees that it will review BRG's invoices upon receipt and will advise BRG of any objection to or dispute with the invoice and the work reflected in the invoice within seven (7) days of the invoice date.

Without liability, BRG reserves the right to withhold delivery of Services, testimony, reports or data (written or oral), or suspend work, if the account on this engagement is not current. A late payment charge of one percent (1%) per month (or the maximum rate permitted by law, whichever is less) may be added to any outstanding invoices that are past due.

Please remit payments by wire to:

Account Name: Berkeley Research Group, LLC

Account No: 8026286672

Bank: PNC Bank, N.A.

ABA No: 031207607

remitadvice@thinkbrg.com

SUCCESS FEE



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BRG and Client agree to negotiate a structure for a success fee, which will be subject to the overall goals of the engagement and any additional services to be rendered by BRG and the entry by the parties hereto of a separate letter agreement or addendum hereto.

CASH ON ACCOUNT

Initially, Client will forward to BRG the amount of \$250,000 which funds will be held "on account" to be applied to BRG's Professional Fees, charges and disbursements for the engagement (the "Initial Cash on Account"). To the extent that this amount exceeds BRG's fees, charges and disbursements upon the completion of the engagement, BRG will refund any unused portion. Client agrees to increase or supplement the Initial Cash on Account from time to time during the course of the engagement in such amounts as Client and BRG mutually shall agree are reasonably necessary to increase the Initial Cash on Account to a level that will be sufficient to fund Professional Fees, charges, and disbursements to be incurred.

Upon transmittal of an invoice, BRG may immediately draw upon the Initial Cash on Account (as replenished from time to time) in the amount of the invoice. Client agrees upon submission of each such invoice to promptly wire the invoice amount to BRG as replenishment of the Initial Cash on Account (together with any supplemental amount to which BRG and Client mutually agree), without prejudice to Client's right to advise BRG of any differences it may have with respect to such invoice. BRG has the right to apply to any outstanding invoice (including amounts billed prior to the date hereof), up to the remaining balance, if any, of the Initial Cash on Account (as may be supplemented from time to time) at any time subject to (and without prejudice to) Client's opportunity to review BRG's invoices.

COMPANY RESPONSIBILITIES

Client agrees that the delivery of Services and Professional Fees charged are dependent on timely and effective cooperation from the Client. Accordingly, Client shall furnish to BRG financial information and other information regarding the business of Client as BRG may reasonably request in connection with the Agreement. Client also represents that information furnished to BRG is accurate and complete at the time it is furnished and agrees to keep BRG advised of developments materially affecting Client or its financial position. Client shall make decisions and take further actions, as Client determines in its sole discretion, relating to any recommendations made by BRG in connection with this Agreement.

BRG shall not make any management decisions on behalf of Client and will not be responsible for Client's decision to pursue, or not to pursue, any business strategy or to implement, or not implement, recommendations made by BRG. As part of the Services, BRG may be requested to assist Client (and its legal or other advisors) in negotiating with Client's creditors and equity holders and with other interested parties. In the event that BRG participates in such negotiations, the representations made and the positions advanced will be those of Client and its management, not BRG or its employees.

CONFIDENTIALITY

BRG shall not disclose any confidential or privileged information to any third party; provided, however, that BRG may disclose confidential or privileged information (a) to BRG's employees, affiliates, vendors or agents (collectively, "Representatives") who provide Services in connection with this engagement on a confidential and need to know basis and BRG shall be responsible for any breach of these confidentiality terms by such Representatives, (b) with Client's written consent, or (c) when legally required to do so.



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Both parties agree that confidential and proprietary information will not be construed to include information that is available from public sources or sources not subject to obligations of confidentiality to Client. Work papers associated with BRG's consulting Services are the confidential property of BRG.

OWNERSHIP OF DELIVERABLES & DATA

Client acknowledges and agrees that BRG is the sole owner of any deliverables provided in connection with the Services, including, without limitation, all copyrights, trademarks, patents and trade secrets and other intellectual property rights (including, without limitation, goodwill) therein, and all rights attendant thereto. BRG hereby grants to Client a non-exclusive, royalty-free irrevocable right to use the deliverables for its own internal purposes. To the extent that Client wishes to disclose to any third party the work product of BRG, it will so advise BRG prior to such disclosure; provided that BRG acknowledges that Client will share BRG work product with Client's external legal counsel and BRG hereby consents to such disclosure. BRG may require any third party to execute a non-reliance and release letter acceptable to BRG in form and substance. Further, BRG will not assume, or be deemed to have assumed, any responsibility, obligation or liability to any third party to which any advice, report or other work product is disclosed or otherwise made available.

Client represents and warrants that Client has any and all necessary right, title, license and authority (including any and all necessary permissions from third-party owners) to transfer to BRG, grant access to BRG or allow BRG to use for the purpose of rendering Services to Client, any and all of the data or other information that Client provides to BRG for such purpose. Client agrees to indemnify BRG against any and liabilities, including liabilities arising from claims brought by third parties and any and all costs of defense, arising from such transfer, access or use.

CONFLICTS OF INTEREST

BRG is engaged by many other companies and individuals. It is possible that some of BRG's past, current or future clients had, have or may have disputes or other matters that are adverse to or may not be consistent with the interests of Client. BRG reserves the right to undertake unrelated engagements during and after this engagement by Client, consistent with BRG's internal policies. BRG will not be required to disclose any such unrelated engagements to Client. BRG will institute procedures to protect the confidentiality of information provided by Client in the course of this engagement.

ARBITRATION

This Agreement shall be interpreted and controlled by the laws of the state of Delaware. Any controversy, dispute, or claim between Client on the one hand and BRG on the other hand of whatever nature arising out of, in connection with, or in relation to the interpretation, performance or breach of this agreement, including any claim based on contract, tort, or statute ("Claims"), shall be resolved at the request of any party to this agreement, by final and binding arbitration, administered by Judicial Arbitration & Mediation Services, Inc. (JAMS), or its successor entity, pursuant to Streamlined Arbitration Rules & Procedures, and judgment upon any award rendered by the arbitrator may be entered by any State or Federal Court having jurisdiction thereof. Any such arbitration shall take place exclusively in Massachusetts. The prevailing party shall be entitled to reasonable attorneys' fees and costs incurred in any arbitration or litigation brought in connection with this Agreement, as well as reasonable attorneys' fees and costs incurred in appealing or in connection with any action to enforce any judgment entered by the arbitrator.



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in any court having jurisdiction. If a party to any arbitration proceeding filed in connection with this Agreement fails to pay any costs of the arbitration required to be paid by such party in the time required for payment, the arbitrator is authorized to provide an appropriate remedy, including an entry of a default and an arbitration award on the merits against such party.

INDEMNITY & LIMITATION OF LIABILITY

Client agrees to indemnify and hold harmless BRG against any and all losses, claims, damages, liabilities, penalties, judgments, awards, costs, fees, expenses and disbursements including, without limitation, defending any action, suit, proceedings or investigation (whether or not in connection with proceedings or litigation in which BRG is a party), directly or indirectly, caused by, relating to, based upon, arising out of or in connection with the engagement of BRG or any Services rendered pursuant to this engagement, unless there is a final and binding arbitration determination or a final non-appealable order of a court of competent jurisdiction finding BRG directly liable for gross negligence or willful misconduct and BRG shall promptly reimburse Client for amounts already paid or reimbursed by Client pursuant to the foregoing to the extent they are the subject of such arbitration determination or court order. These indemnification provisions extend to the members, principals, employees, representatives, agents, counsel and affiliates of BRG.

The parties shall not be liable to each other for any delays resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

Notwithstanding the indemnification and any other terms of this Agreement, the parties shall not be liable to each other for any consequential, incidental, special or punitive damages, nor shall BRG be liable for direct compensatory damages in excess of two times the fees actually received by BRG for the performance of Services hereunder.

TERMINATION

Client or BRG may terminate this engagement upon seven (7) days' written notice. In the event the engagement is terminated prior to the completion of Services, Clients agrees to pay BRG for all Professional Fees and expenses incurred through the termination date.

OTHER TERMS

In the event BRG is requested pursuant to subpoena or other legal process to produce any documents or to provide testimony relating to engagements for Client in judicial or administrative proceedings to which BRG is not a party, Client shall reimburse BRG at standard billing rates for all professional time and expenses, including reasonable attorneys' fees, incurred in preparing for and responding to requests for documents and providing testimony.

Client will only use any advice, report or work product produced under this engagement for making its own internal business decisions. Client will solely rely on its own analysis and review to make any investment or other business decision. BRG will not render an assurance report or assurance opinion as part of this engagement, nor will the Services constitute an audit, review or examination of any entity's



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financial statements or prospective financial statements in accordance with generally accepted auditing standards or other applicable professional standards. None of the Services or any report will constitute any legal opinion or advice, nor will the Services or any reports constitute a fairness opinion, investment or accounting advice. BRG will not conduct a review to detect fraud or illegal acts, nor will BRG render any opinion as to the fairness or advisability of any proposed transaction. In addition, Client acknowledges that no reliance shall be placed on draft reports, conclusions or advice, whether oral or written, issued by BRG as the same may be subject to further work, revision and other factors which may mean that such drafts are substantially different from any final report issued by BRG. Client will not use the report or work product under this engagement for any use beyond the use set forth in this letter.

Unless otherwise explicitly stated, all provisions of this Agreement shall survive the expiration or termination of this engagement. Neither party may assign, transfer or delegate any of the rights or obligations hereunder without the prior written consent of the other party. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This engagement letter and its terms and conditions constitute the entire Agreement between BRG and Client with respect to the subject matter hereof and supersedes all other oral and written representations, understandings or agreements relating to the subject matter hereof. No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each party to be bound thereby.

This Agreement may be executed in one or more counterparts, each of which may be signed and transmitted via facsimile or PDF electronic delivery with the same validity as if it were an ink-signed document.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric B. Miller", written over a horizontal line.

Eric B. Miller
General Counsel

AGREED AND ACCEPTED:

BlockFi Inc.

By


Zachary Prince, CEO

Dated 11/12/2022



INTELLECTUAL PROPERTY

CONFIDENTIAL

November 25, 2022

Via Email

Zac Prince
Chief Executive Officer
BlockFi Inc.
201 Montgomery St #263
Jersey City, NJ 07302

Re: BlockFi Inc. – Addendum to Professional Fee Ranges

Dear Zac,

This is an addendum (“Addendum”) to the engagement agreement dated November 12, 2022 (“Agreement”) between BlockFi Inc. (the “Company” or “Client”) and Berkeley Research Group, LLC (“BRG”). This Addendum 1) finalizes terms of the Completion Fee (or Success Fee) as outlined in the Agreement, and 2) corrects a clerical error in the Professional Fees that will go into effect on 12/01/2022 included in the original Agreement. All capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

COMPLETION FEE

A Completion Fee is a customary and integral component of compensation in an engagement of this type. The Company will pay BRG a Completion Fee of 1) \$750,000 if a *going concern* or *asset sale* (with respect to a majority of the assets of the Company) Chapter 11 Plan is confirmed (as opposed to a self-liquidating Chapter 11 Plan) (for the avoidance of doubt, 363 sales which in aggregate do not represent a majority of the assets of the Company shall not constitute an asset sale Chapter 11 Plan), and 2) an additional \$750,000 if a Chapter 11 Plan is confirmed on or before July 15, 2023¹. Any earned Completion Fee will be credited against any Professional Fees incurred following July 15, 2023.

Notwithstanding the foregoing, in no event shall BRG be entitled to any Completion Fee in respect of any transaction consummated after a termination of BRG’s engagement if this Agreement is terminated (i) by BRG or (ii) as the result of BRG’s (or any other Indemnified Person’s) material breach of this Agreement, gross negligence, fraud, or willful misconduct. The Completion Fee will be due and payable upon consummation of the plan of reorganization or upon the close of such sale transaction. BRG understands that any compensation arrangements set forth in this Agreement shall be subject to the approval of the Bankruptcy Court if the Company commences a chapter 11 bankruptcy case during the term of this Agreement.

FEES & EXPENSES

¹ Milestone date subject to change with the consent the Company if delay is driven by factors outside of BRG’s control



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BRG finalized the new standard hourly rate ("Professional Fees") structure that will take effect on 12/01/2022 with new ranges below:

Managing Directors	\$1,050	\$1,250
Directors & Associate Directors	\$810	\$990
Professional Staff	\$395	\$795
Support Staff	\$175	\$350

OTHER TERMS

This Addendum is authorized and is incorporated into and made an attachment to the above-identified Agreement upon execution. Unless otherwise amended in this Addendum, all terms and conditions of the Agreement (together with any attachments and schedules) are incorporated herein and remain in full force and effect.


This Addendum may be executed in one or more counterparts, each of which may be signed and transmitted via facsimile or PDF electronic delivery with the same validity as if it were an ink-signed document.

Sincerely,

Mark A. Renzi
Managing Director

AGREED AND ACCEPTED:

BlockFi Inc.

By 
Zac Prince, CEO

Dated 12.19.22